

Medical Assistance Services

Analyst: Castro

Historical Summary

OPERATING BUDGET	FY 2007 Total App	FY 2007 Actual	FY 2008 Approp	FY 2009 Request	FY 2009 Gov Rec
BY PROGRAM					
Medicaid Admin & Medical Mgmt	56,719,900	52,235,700	54,032,600	68,138,000	68,174,800
Dual Eligible Individuals	191,532,200	360,225,900	205,563,500	408,599,100	407,099,100
Individuals with Disabilities	519,824,800	478,896,400	559,247,800	573,025,000	570,675,000
Low-Income Children & Adults	442,658,700	307,403,900	474,854,100	376,336,200	367,362,600
Total:	1,210,735,600	1,198,761,900	1,293,698,000	1,426,098,300	1,413,311,500
BY FUND CATEGORY					
General	351,357,200	340,156,600	376,384,400	406,831,700	404,370,100
Dedicated	81,754,700	87,941,200	90,961,200	99,016,000	99,016,000
Federal	777,623,700	770,664,100	826,352,400	920,250,600	909,925,400
Total:	1,210,735,600	1,198,761,900	1,293,698,000	1,426,098,300	1,413,311,500
Percent Change:		(1.0%)	7.9%	10.2%	9.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	17,939,600	15,686,800	17,847,600	19,641,600	20,255,500
Operating Expenditures	34,910,500	33,348,500	32,940,200	45,188,300	44,664,600
Capital Outlay	920,200	923,700	295,200	358,500	305,100
Trustee/Benefit	1,156,965,300	1,148,802,900	1,242,615,000	1,360,909,900	1,348,086,300
Total:	1,210,735,600	1,198,761,900	1,293,698,000	1,426,098,300	1,413,311,500
Full-Time Positions (FTP)	287.50	275.00	278.50	290.00	290.00

Division Description

The Division of Medical Assistance is responsible for administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability, pursuant to state and federal Medicaid requirements. Additionally, the division licenses and certifies health facilities to meet state and federal requirements and to participate in Medicaid and Medicare.

MEDICAID ADMINISTRATION & MEDICAL MANAGEMENT: Includes expenditures for administration of a comprehensive program of medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid (Title XIX), and CHIP (Title XXI). Administrative functions include managing provider payments, contracting with state agencies and universities for medical management, conducting drug utilization reviews and individual assessments, and licensing and inspecting health facilities such as nursing homes, hospitals, and residential and assisted living facilities. Prior to FY 2007, all Medicaid expenditures were reported under the Medical Assistance Services Program. The program has been renamed Medicaid Administration & Medical Management.

State Plan for DUAL ELIGIBLE INDIVIDUALS (Medicaid Coordinated Plan): Beneficiaries covered in this plan primarily consist of those who are age 65 and older. All individuals dually eligible for Medicaid and Medicare, regardless of age, may elect to receive coverage under this plan.

State Plan for INDIVIDUALS WITH DISABILITIES (Medicaid Enhanced Plan): Medicaid eligible group primarily made up of children and adults (non-elderly) with disabilities or other individuals with special health needs, such as foster children. Individuals included in this plan may elect to remain in this plan after they turn 65 years old.

State Plan for LOW-INCOME CHILDREN AND WORKING-AGE ADULTS (Medicaid Basic Plan): Medicaid eligible group primarily consisting of Pregnant Women and Children (PWC), Family Medicaid and Idaho's Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of disease.

Medicaid Administration & Medical Mgmt

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	278.50	14,481,600	54,032,600	278.50	14,481,600	54,032,600
Reappropriation	0.00	849,500	849,500	0.00	849,500	849,500
1. CMS Audit	0.00	228,700	0	0.00	0	0
2. Idaho Health Data Exchange	0.00	350,000	350,000	0.00	350,000	350,000
9. Department Personnel Costs Transfer	0.00	276,400	276,400	0.00	276,400	276,400
FY 2008 Total Appropriation	278.50	16,186,200	55,508,500	278.50	15,957,500	55,508,500
Non-Cognizable Funds and Transfers	(3.50)	(44,300)	(44,300)	(3.50)	(44,300)	(44,300)
Budgeted Reversion	0.00	(849,500)	(849,500)	0.00	(849,500)	(849,500)
FY 2008 Estimated Expenditures	275.00	15,292,400	54,614,700	275.00	15,063,700	54,614,700
Removal of One-Time Expenditures	(8.00)	(963,500)	(8,634,000)	(8.00)	(963,500)	(8,634,000)
Base Adjustments	0.00	0	(70,800)	0.00	0	(70,800)
FY 2009 Base	267.00	14,328,900	45,909,900	267.00	14,100,200	45,909,900
Benefit Costs	0.00	239,200	645,500	0.00	230,700	623,400
Inflationary Adjustments	0.00	15,000	39,500	0.00	7,900	15,800
Replacement Items	0.00	158,100	283,500	0.00	126,800	230,100
Statewide Cost Allocation	0.00	1,900	6,500	0.00	1,900	6,500
Change in Employee Compensation	0.00	63,100	159,000	0.00	315,500	795,000
FY 2009 Program Maintenance	267.00	14,806,200	47,043,900	267.00	14,783,000	47,580,700
1. MMIS Reprourement	8.00	3,261,500	19,380,500	8.00	3,261,500	19,380,500
3. Transfer PSR Unit to Medicaid	15.00	481,800	963,600	15.00	481,800	963,600
5. Actuarial Work (CMS Requirement)	0.00	50,000	100,000	0.00	50,000	100,000
6. Idaho Health Data Exchange	0.00	150,000	150,000	0.00	150,000	150,000
9. Replace RMS Database	0.00	250,000	500,000	0.00	0	0
FY 2009 Total	290.00	18,999,500	68,138,000	290.00	18,726,300	68,174,800
Change from Original Appropriation	11.50	4,517,900	14,105,400	11.50	4,244,700	14,142,200
% Change from Original Appropriation		31.2%	26.1%		29.3%	26.2%

Medicaid Administration & Medical Mgmt

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	278.50	14,481,600	3,606,600	35,944,400	54,032,600

Reappropriation

Represents unspent General Fund monies that were budgeted for reversion after the end of the fiscal year. Spending authority is removed in an FY 2008 expenditure adjustment.

Agency Request	0.00	849,500	0	0	849,500
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>849,500</i>	<i>0</i>	<i>0</i>	<i>849,500</i>

1. CMS Audit

The division requests an ongoing increase in General Funds of \$221,700 in personnel costs and \$7,000 in operating expenditures to offset a decrease in federal funds. An audit completed by the federal Centers for Medicaid and Medicare Services (CMS) found that the division was charging staff time at a federal match rate of 75% for work that only qualifies for the administrative federal match rate of 50%. The higher match rate is available when staff conducts business related to claims adjudication.

Agency Request	0.00	228,700	0	(228,700)	0
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

2. Idaho Health Data Exchange

The division requests \$350,000 in operating expenditures (one-time) to contribute state funds toward the first year of a two-year pilot project to develop the infrastructure for the Idaho Health Data Exchange. This project is a public-private partnership under the Health Quality Planning Commission (HQPC) that was established through legislation within the Department of Health and Welfare in 2006. The purpose of the project is to improve health care quality and outcomes by creating access to pharmacy history, claims data and e-prescribing functions. The division has \$100,000 of General Funds in their base budget for the HQPC.

Agency Request	0.00	350,000	0	0	350,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>350,000</i>	<i>0</i>	<i>0</i>	<i>350,000</i>

9. Department Personnel Costs Transfer

This request is to shift General Fund personnel funding from the following programs:

Physical Health: \$379,200
 Labs: \$128,600
 Self Reliance Operations: \$420,300
 Child Welfare: \$982,700
 TOTAL: \$1,910,800

The funding would be received by the following programs in personnel costs:

Childrens Mental Health: \$161,700
 Community Mental Health: \$220,700
 Community Developmental Disabilities: \$37,300
 Indirect Support Services: \$1,145,500
 Medicaid Administration & Medical Mgmt: \$276,400
 State Hospital North: \$69,200

As of the end of the 1st quarter the department has projected the Child Welfare's transfer out will be reduced to \$907,400 and that Community Mental Health will only need \$145,400.

Agency Request	0.00	276,400	0	0	276,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>276,400</i>	<i>0</i>	<i>0</i>	<i>276,400</i>

FY 2008 Total Appropriation					
Agency Request	278.50	16,186,200	3,606,600	35,715,700	55,508,500
<i>Governor's Recommendation</i>	<i>278.50</i>	<i>15,957,500</i>	<i>3,606,600</i>	<i>35,944,400</i>	<i>55,508,500</i>

Non-Cognizable Funds and Transfers

Transfers out three FTP and \$21,400 in personnel costs to the Division of Welfare, transfers out 0.5 FTP and \$35,800 in personnel costs to the Indirect Support Services Division, and transfers in \$12,900 to partially restore personnel costs the division contributed toward Navigation.

Agency Request	(3.50)	(44,300)	0	0	(44,300)
<i>Governor's Recommendation</i>	<i>(3.50)</i>	<i>(44,300)</i>	<i>0</i>	<i>0</i>	<i>(44,300)</i>

Medicaid Administration & Medical Mgmt

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Budgeted Reversion					
Removes General Fund reappropriation.					
Agency Request	0.00	(849,500)	0	0	(849,500)
Governor's Recommendation	0.00	(849,500)	0	0	(849,500)
FY 2008 Estimated Expenditures					
Agency Request	275.00	15,292,400	3,606,600	35,715,700	54,614,700
Governor's Recommendation	275.00	15,063,700	3,606,600	35,944,400	54,614,700
Removal of One-Time Expenditures					
Remove funding provided for one-time items.					
Agency Request	(8.00)	(963,500)	0	(7,670,500)	(8,634,000)
Governor's Recommendation	(8.00)	(963,500)	0	(7,670,500)	(8,634,000)
Base Adjustments					
The division requests an ongoing reduction in dedicated funds spending authority to more accurately reflect projected receipts. This decision unit also includes a technical correction, allocating 3.0 FTP to dedicated funds rather than federal funds.					
Agency Request	0.00	0	(70,800)	0	(70,800)
Governor's Recommendation	0.00	0	(70,800)	0	(70,800)
FY 2009 Base					
Agency Request	267.00	14,328,900	3,535,800	28,045,200	45,909,900
Governor's Recommendation	267.00	14,100,200	3,535,800	28,273,900	45,909,900
Benefit Costs					
Reflects \$2,075 per position or a 29% increase in employer-paid health insurance premiums from \$7,125 to \$9,200 per year. This increase is artificially inflated since the rates have been frozen for the last two years, with increases being covered from reserves.					
Agency Request	0.00	239,200	0	406,300	645,500
The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year. In addition, for this agency the Governor recommends that the Division of Human Resources (DHR) fee be reduced by 35% for classified positions, from 0.615% of gross salary to 0.4%, because it has been granted delegated authority by DHR.					
Governor's Recommendation	0.00	230,700	0	392,700	623,400
Inflationary Adjustments					
General inflationary increases include a 5.0% increase in employee travel costs (\$18,600) and a 7.3% increase in fuel costs (\$5,100) for a total increase of \$23,700. Contractual rent increases total \$15,800.					
Agency Request	0.00	15,000	0	24,500	39,500
The Governor does not recommend funding for general inflation. Contractual rent increases of \$15,800 are recommended.					
Governor's Recommendation	0.00	7,900	0	7,900	15,800
Replacement Items					
Replacement capital outlay includes 11 vehicles (ranging from \$16,200 to \$22,500 each/\$186,900 total), 14 modular desks (\$1,700 each/\$23,800 total), 28 office chairs (\$300 each/\$8,400 total), and 46 laptop docking stations (\$1,400 each/\$64,400 total).					
Agency Request	0.00	158,100	0	125,400	283,500
The Governor recommends \$96,600 for 14 modular desks, 28 office chairs and 46 laptop computers, and \$133,500 for six vehicles. Funding for vehicle replacement includes \$30,000 for a statewide vehicle fleet management initiative to convert as many vehicles as possible to hybrid or other fuel efficient/low emission vehicles.					
Governor's Recommendation	0.00	126,800	0	103,300	230,100
Statewide Cost Allocation					
Provides for a \$6,500 increase in risk management costs.					
Agency Request	0.00	1,900	0	4,600	6,500
Governor's Recommendation	0.00	1,900	0	4,600	6,500

Medicaid Administration & Medical Mgmt

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
Agencies were instructed to input a CEC based on a 1% calculator.					
Agency Request	0.00	63,100	0	95,900	159,000
<i>The Governor recommends a compensation increase of 5% to be distributed based on merit.</i>					
Governor's Recommendation	0.00	315,500	0	479,500	795,000

FY 2009 Program Maintenance					
Agency Request	267.00	14,806,200	3,535,800	28,701,900	47,043,900
Governor's Recommendation	267.00	14,783,000	3,535,800	29,261,900	47,580,700

1. MMIS Reprocurement

The Medicaid Management Information System (MMIS) is the IT system that distributes benefit payments to the providers who serve Medicaid recipients. The state is required by CMS to have a certified system. The division requests \$3,261,500 from the General Fund and \$16,119,000 in federal matching funds to continue the design, development and implementation phase of the Medicaid Management Information System (MMIS) Reprocurement project in FY 2009. The design, development and implementation phase began in November 2007 and is expected to be completed within 24 months. Funding for this project began in FY 2007, with an appropriation of \$1,433,000 in state funds and \$7,279,000 in federal match. Due to a delay in selecting the vendor, \$7,444,400 of the FY 2007 appropriation was encumbered and included with an additional FY 2008 appropriation of \$440,400 in General Funds and \$7,548,400 in federal funds, for a total budget of \$15,433,200 in FY 2008.

Agency Request	8.00	3,261,500	0	16,119,000	19,380,500
Governor's Recommendation	8.00	3,261,500	0	16,119,000	19,380,500

3. Transfer PSR Unit to Medicaid

The division requests 15 FTP, \$907,600 in personnel costs and \$56,000 in operating expenditures to transfer staff from the Division of Behavioral Health to the Division of Medicaid. These positions are responsible for administering prior authorizations for Medicaid-funded psychosocial rehabilitation (PSR) services and conducting site visits of Medicaid PSR providers to ensure that providers are conforming to state regulations. The division states that transferring the PSR unit will improve organizational efficiency by allowing closer coordination with staff responsible for similar functions, such as Medicaid credentialing of PSR providers, and reducing the potential for conflict of interest, as the Division of Behavioral Health provides PSR services.

Agency Request	15.00	481,800	0	481,800	963,600
Governor's Recommendation	15.00	481,800	0	481,800	963,600

5. Actuarial Work (CMS Requirement)

The division requests \$100,000 (ongoing) to contract with Boise State University to complete the analysis, evaluation and certification of actuarial work required by CMS. CMS requires states to verify that they have accurately projected costs and utilization when negotiating managed care contracts for services provided to Medicaid recipients. This requirement applies when certain integrated benefits are paid by Medicaid to Medicare Advantage Plans on a per capita rather than on a fee-for-service basis.

Agency Request	0.00	50,000	0	50,000	100,000
Governor's Recommendation	0.00	50,000	0	50,000	100,000

6. Idaho Health Data Exchange

The division requests \$150,000 in operating expenditures (one-time) to contribute state funds toward the second year of a two-year pilot project to develop the infrastructure for the Idaho Health Data Exchange. (\$350,000 is requested from the General Fund for this project as an FY 2008 supplemental appropriation)

Agency Request	0.00	150,000	0	0	150,000
Governor's Recommendation	0.00	150,000	0	0	150,000

Medicaid Administration & Medical Mgmt

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
9. Replace RMS Database					
The division requests \$500,000 (one-time) to replace the Regional Medicaid Services Database, which is used to manage home and community-based services provided through Medicaid. The database does not meet current business and data reporting needs, requiring manual data entry and "workarounds" by staff. The division has determined that it is more cost-effective to purchase a replacement system than to fix the current system.					
Agency Request	0.00	250,000	0	250,000	500,000
<i>Not recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
FY 2009 Total					
Agency Request	290.00	18,999,500	3,535,800	45,602,700	68,138,000
<i>Governor's Recommendation</i>	<i>290.00</i>	<i>18,726,300</i>	<i>3,535,800</i>	<i>45,912,700</i>	<i>68,174,800</i>
Agency Request					
Change from Original App	11.50	4,517,900	(70,800)	9,658,300	14,105,400
% Change from Original App	4.1%	31.2%	(2.0%)	26.9%	26.1%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>11.50</i>	<i>4,244,700</i>	<i>(70,800)</i>	<i>9,968,300</i>	<i>14,142,200</i>
<i>% Change from Original App</i>	<i>4.1%</i>	<i>29.3%</i>	<i>(2.0%)</i>	<i>27.7%</i>	<i>26.2%</i>

Dual Eligible Individuals

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	0.00	63,248,700	205,563,500	0.00	63,248,700	205,563,500
Reappropriation	0.00	2,988,300	2,988,300	0.00	2,988,300	2,988,300
Reduce General Fund Appropriation	0.00	(5,260,600)	(5,260,600)	0.00	(5,260,600)	(5,260,600)
FY 2008 Total Appropriation	0.00	60,976,400	203,291,200	0.00	60,976,400	203,291,200
Non-Cognizable Funds and Transfers	0.00	46,230,200	171,533,000	0.00	46,230,200	171,533,000
FY 2009 Base	0.00	107,206,600	374,824,200	0.00	107,206,600	374,824,200
Nondiscretionary Adjustments	0.00	9,296,800	29,474,900	0.00	9,296,800	29,474,900
FY 2009 Program Maintenance	0.00	116,503,400	404,299,100	0.00	116,503,400	404,299,100
7. RALF Rate Increase	0.00	1,290,000	4,300,000	0.00	840,000	2,800,000
FY 2009 Total	0.00	117,793,400	408,599,100	0.00	117,343,400	407,099,100
Change from Original Appropriation	0.00	54,544,700	203,035,600	0.00	54,094,700	201,535,600
% Change from Original Appropriation		86.2%	98.8%		85.5%	98.0%

Dual Eligible Individuals

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	0.00	63,248,700	10,676,200	131,638,600	205,563,500

Reappropriation

Reappropriation authority, also known as carryover, allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those monies are then removed as one-time expenditures before calculating the next year's base. Carryover requires specific legislative authorization and must be approved every year.

Agency Request	0.00	2,988,300	0	0	2,988,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>2,988,300</i>	<i>0</i>	<i>0</i>	<i>2,988,300</i>

Reduce General Fund Appropriation

The division requests a General Fund rescission of \$2,988,300 (one-time) to remove carryover funds and an ongoing reduction of \$2,272,300 in funds appropriated for provider payments. The reduction is related to lower than projected caseload growth in FY 2008.

Total General Fund rescission for all Medicaid benefits programs: \$17,379,500 (\$9,908,400 one-time/ \$7,471,100 ongoing)

Agency Request	0.00	(5,260,600)	0	0	(5,260,600)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(5,260,600)</i>	<i>0</i>	<i>0</i>	<i>(5,260,600)</i>

FY 2008 Total Appropriation					
Agency Request	0.00	60,976,400	10,676,200	131,638,600	203,291,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>60,976,400</i>	<i>10,676,200</i>	<i>131,638,600</i>	<i>203,291,200</i>

Non-Cognizable Funds and Transfers

Provides a noncognizable increase in federal funds of \$2,839,300. The increase reflects the division's revised projection of federal match rates, including caseload growth in programs with higher federal match rates.

Total noncognizable increase in federal funds for all Medicaid benefits programs: \$8,826,200

Transfers spending authority (ongoing) in the trustee/benefit payments expenditure category between the Medicaid benefit payments programs based on actual expenditures in FY 2007, to more accurately project FY 2008 expenditures and establish the FY 2009 base budget.

Agency Request	0.00	46,230,200	0	125,302,800	171,533,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>46,230,200</i>	<i>0</i>	<i>125,302,800</i>	<i>171,533,000</i>

FY 2009 Base					
Agency Request	0.00	107,206,600	10,676,200	256,941,400	374,824,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>107,206,600</i>	<i>10,676,200</i>	<i>256,941,400</i>	<i>374,824,200</i>

Dual Eligible Individuals

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Nondiscretionary Adjustments					
PROJECTED MEDICAID GROWTH - All Programs					
Total Estimated Eligibles FY 2008: 185,955 (0.78% increase)					
Total Estimated Eligibles FY 2009: 193,448 (4.03% increase)					
Caseload Growth: 7,493 Eligibles					
Total Est. Expenditures FY 2008: \$1,245,283,600 (8.40% increase)					
Total Est. Expenditures FY 2009: \$1,342,937,200 (7.84% increase)					
Expenditure Growth: \$97,653,600					
Cost per Eligible per Month (PEPM) FY 2008: \$558.06					
PEPM FY 2009: \$578.51					
PEPM Increase: \$20.45					

CASELOAD INFLATION: Cost associated with caseload growth; calculated by multiplying FY 2008 PEPM by the projected increase of 7,493 eligibles, times 12 months.					
Dual Eligible Individuals: \$15,145,400 Total					
Individuals with Disabilities: \$21,289,700 Total					
Low Income Children & Working Age Adults: \$13,742,900 Total					
All Programs: \$50,178,000 Total (\$15,053,400 General; \$35,124,600 Federal)					
PRICING INFLATION: Cost associated with provider rate increases as established by state or federal law. Accounts for \$9.56 of FY 2009 PEPM increase, and includes:					
*Disproportionate Share Hospitals: \$3,035,200					
*Nursing Facility: \$8,734,900					
*ICF/MR Care – Other Facility: \$1,867,900					
*Physician Services: \$2,439,400					
*Rural Health Clinic Services: \$265,800					
*Personal Care Services: \$3,442,700					
*Hospice Benefits: \$1,120,700					
*Federally Qualified Health Center: \$1,010,600					
*Indian Health Services: \$272,500					
Dual Eligible Individuals: \$6,698,300 Total					
Individuals with Disabilities: \$9,415,700 Total					
Low Income Children & Working Age Adults: \$6,078,000 Total					
Total: \$22,192,000 Total (\$6,657,600 General; \$15,534,400 Federal)					
UTILIZATION INFLATION: Cost associated with an increase in the number and type of services used (unrelated to caseload growth). Accounts for remaining \$10.89 of total FY 2009 PEPM increase.					
Dual Eligible Individuals: \$7,631,200 Total					
Individuals with Disabilities: \$10,727,000 Total					
Low Income Children & Working Age Adults: \$6,924,500 Total					
All Programs: \$25,282,700 Total (\$5,606,000 General; \$6,812,100 Dedicated; \$12,864,600 Federal)					

FMAP RATE CHANGE: Provides an increase in General Funds to replace federal funds due to a reduction in the Federal Medical Assistance Percentage (FMAP) from 69.993% to 69.795% and a reduction in the Enhanced FMAP from 78.995% to 78.858%. Total for all programs: \$2,294,500					
Agency Request	0.00	9,296,800	793,800	19,384,300	29,474,900
<i>The Governor recommends ongoing spending authority for inflationary increases from federal and dedicated funds along with one-time General Funds, with the exception of pricing inflation, for which increases from the General Fund are also recommended to be ongoing. FMAP adjustments are recommended as requested.</i>					
Governor's Recommendation	0.00	9,296,800	793,800	19,384,300	29,474,900

Dual Eligible Individuals

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Program Maintenance					
Agency Request	0.00	116,503,400	11,470,000	276,325,700	404,299,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>116,503,400</i>	<i>11,470,000</i>	<i>276,325,700</i>	<i>404,299,100</i>

7. RALF Rate Increase

The division requests \$4,300,000 (ongoing) to increase Medicaid rates for Residential Assisted Living Facility (RALF) providers. The division states that the Uniform Assessment Instrument, which is used to determine payment to RALFs, has not been updated since 1999 and that low reimbursement rates have resulted in some RALF providers not accepting new Medicaid participants. According to the division, approximately 2,900 Medicaid participants meet the qualifications for a nursing home level of care but choose to live in the community under the Aged and Disabled Waiver. The cost of providing nursing home care is about \$2,700 more per month than providing RALF services through Medicaid.

Agency Request	0.00	1,290,000	0	3,010,000	4,300,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>840,000</i>	<i>0</i>	<i>1,960,000</i>	<i>2,800,000</i>

FY 2009 Total					
Agency Request	0.00	117,793,400	11,470,000	279,335,700	408,599,100
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>117,343,400</i>	<i>11,470,000</i>	<i>278,285,700</i>	<i>407,099,100</i>

Agency Request

Change from Original App	0.00	54,544,700	793,800	147,697,100	203,035,600
% Change from Original App		86.2%	7.4%	112.2%	98.8%

Governor's Recommendation

<i>Change from Original App</i>	<i>0.00</i>	<i>54,094,700</i>	<i>793,800</i>	<i>146,647,100</i>	<i>201,535,600</i>
<i>% Change from Original App</i>		<i>85.5%</i>	<i>7.4%</i>	<i>111.4%</i>	<i>98.0%</i>

Individuals with Disabilities

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	0.00	163,847,300	559,247,800	0.00	163,847,300	559,247,800
Reappropriation	0.00	4,208,600	4,208,600	0.00	4,208,600	4,208,600
3. Multi-State Purchasing Pool	0.00	0	2,000,000	0.00	0	2,000,000
8. Receipts Authority	0.00	0	107,300	0.00	0	107,300
Reduce GF Approp./School Services Match	0.00	(7,852,700)	(8,852,700)	0.00	(7,852,700)	(8,852,700)
FY 2008 Total Appropriation	0.00	160,203,200	556,711,000	0.00	160,203,200	556,711,000
Non-Cognizable Funds and Transfers	0.00	(208,100)	(29,818,400)	0.00	(208,100)	(29,818,400)
FY 2009 Base	0.00	159,995,100	526,892,600	0.00	159,995,100	526,892,600
Nondiscretionary Adjustments	0.00	12,556,300	41,432,400	0.00	12,556,300	41,432,400
FY 2009 Program Maintenance	0.00	172,551,400	568,325,000	0.00	172,551,400	568,325,000
2. Implement HCBS Rate Methodology	0.00	1,410,000	4,700,000	0.00	705,000	2,350,000
FY 2009 Total	0.00	173,961,400	573,025,000	0.00	173,256,400	570,675,000
Change from Original Appropriation	0.00	10,114,100	13,777,200	0.00	9,409,100	11,427,200
% Change from Original Appropriation		6.2%	2.5%		5.7%	2.0%

Individuals with Disabilities

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	0.00	163,847,300	37,875,600	357,524,900	559,247,800

Reappropriation

Reappropriation authority, also known as carryover, allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carryover requires specific legislative authorization and must be approved every year.

Agency Request	0.00	4,208,600	0	0	4,208,600
Governor's Recommendation	0.00	4,208,600	0	0	4,208,600

3. Multi-State Purchasing Pool

In response to legislative direction (HCR 50, 2006 Legislative Session), the division joined a multi-state drug purchasing pool and has developed a plan to use the resulting increase in rebates to fund preventative health assistance accounts for Medicaid participants who are required to pay premiums. If these participants engage in certain preventative health activities, such as attending annual exams, they can receive a credit toward their overdue premium payments. The division requests \$2,000,000 in dedicated funds receipts authority (ongoing) to collect the projected increase in rebates and requests authority to direct \$1,400,000 of the rebates toward the preventative health assistance accounts.

Agency Request	0.00	0	2,000,000	0	2,000,000
Governor's Recommendation	0.00	0	2,000,000	0	2,000,000

8. Receipts Authority

The division requests \$107,300 in spending authority from the Idaho Health Insurance Access Card Fund to provide state matching funds for projected expenditures in the CHIP B and Access Card programs.

Agency Request	0.00	0	107,300	0	107,300
Governor's Recommendation	0.00	0	107,300	0	107,300

Reduce GF Approp./School Services Match

The division requests a General Fund rescission of \$4,208,600 (one-time) to remove carryover funds and an ongoing reduction of \$3,644,100 in funds appropriated for provider payments. The reduction is related to lower than projected caseload growth in FY 2008.

Total General Fund rescission for all Medicaid benefits programs: \$17,379,500 (\$9,908,400 one-time/ \$7,471,100 ongoing)

The division also requests removal of one-time dedicated fund spending authority of \$1,000,000 that was provided as state match for school-based services.

Agency Request	0.00	(7,852,700)	(1,000,000)	0	(8,852,700)
Governor's Recommendation	0.00	(7,852,700)	(1,000,000)	0	(8,852,700)

FY 2008 Total Appropriation					
Agency Request	0.00	160,203,200	38,982,900	357,524,900	556,711,000
Governor's Recommendation	0.00	160,203,200	38,982,900	357,524,900	556,711,000

Non-Cognizable Funds and Transfers

Provides a noncognizable increase in federal funds of \$3,620,500. The increase reflects the division's revised projection of federal match rates, including caseload growth in programs with higher federal match rates.

Total noncognizable increase in federal funds for all Medicaid benefits programs: \$8,826,200

Transfers spending authority (ongoing) in the trustee/benefit payments expenditure category between the Medicaid benefit payments programs based on actual expenditures in FY 2007, to more accurately project FY 2008 expenditures and establish the FY 2009 base budget.

Agency Request	0.00	(208,100)	(234,300)	(29,376,000)	(29,818,400)
Governor's Recommendation	0.00	(208,100)	(234,300)	(29,376,000)	(29,818,400)

FY 2009 Base					
Agency Request	0.00	159,995,100	38,748,600	328,148,900	526,892,600
Governor's Recommendation	0.00	159,995,100	38,748,600	328,148,900	526,892,600

Individuals with Disabilities

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Nondiscretionary Adjustments					
PROJECTED MEDICAID GROWTH - All Programs					
Total Estimated Eligibles FY 2008: 185,955 (0.78% increase)					
Total Estimated Eligibles FY 2009: 193,448 (4.03% increase)					
Caseload Growth: 7,493 Eligibles					
Total Est. Expenditures FY 2008: \$1,245,283,600 (8.40% increase)					
Total Est. Expenditures FY 2009: \$1,342,937,200 (7.84% increase)					
Expenditure Growth: \$97,653,600					
Cost per Eligible per Month (PEPM) FY 2008: \$558.06					
PEPM FY 2009: \$578.51					
PEPM Increase: \$20.45					

CASELOAD INFLATION: Cost associated with caseload growth; calculated by multiplying FY 2008 PEPM by the projected increase of 7,493 eligibles, times 12 months.					
Dual Eligible Individuals: \$15,145,400 Total					
Individuals with Disabilities: \$21,289,700 Total					
Low Income Children & Working Age Adults: \$13,742,900 Total					
All Programs: \$50,178,000 Total (\$15,053,400 General; \$35,124,600 Federal)					
PRICING INFLATION: Cost associated with provider rate increases as established by state or federal law. Accounts for \$9.56 of FY 2009 PEPM increase, and includes:					
*Disproportionate Share Hospitals: \$3,035,200					
*Nursing Facility: \$8,734,900					
*ICF/MR Care – Other Facility: \$1,867,900					
*Physician Services: \$2,439,400					
*Rural Health Clinic Services: \$265,800					
*Personal Care Services: \$3,442,700					
*Hospice Benefits: \$1,120,700					
*Federally Qualified Health Center: \$1,010,600					
*Indian Health Services: \$272,500					
Dual Eligible Individuals: \$6,698,300 Total					
Individuals with Disabilities: \$9,415,700 Total					
Low Income Children & Working Age Adults: \$6,078,000 Total					
Total: \$22,192,000 Total (\$6,657,600 General; \$15,534,400 Federal)					
UTILIZATION INFLATION: Cost associated with an increase in the number and type of services used (unrelated to caseload growth). Accounts for remaining \$10.89 of total FY 2009 PEPM increase.					
Dual Eligible Individuals: \$7,631,200 Total					
Individuals with Disabilities: \$10,727,000 Total					
Low Income Children & Working Age Adults: \$6,924,500 Total					
All Programs: \$25,282,700 Total (\$5,606,000 General; \$6,812,100 Dedicated; \$12,864,600 Federal)					

FMAP RATE CHANGE: Provides an increase in General Funds to replace federal funds due to a reduction in the Federal Medical Assistance Percentage (FMAP) from 69.993% to 69.795% and a reduction in the Enhanced FMAP from 78.995% to 78.858%. Total for all programs: \$2,294,500					
Agency Request	0.00	12,556,300	2,934,300	25,941,800	41,432,400
<i>The Governor recommends ongoing spending authority for inflationary increases from federal and dedicated funds along with one-time General Funds, with the exception of pricing inflation, for which increases from the General Fund are also recommended to be ongoing. FMAP adjustments are recommended as requested.</i>					
Governor's Recommendation	0.00	12,556,300	2,934,300	25,941,800	41,432,400

Individuals with Disabilities

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Program Maintenance					
Agency Request	0.00	172,551,400	41,682,900	354,090,700	568,325,000
Governor's Recommendation	0.00	172,551,400	41,682,900	354,090,700	568,325,000

2. Implement HCBS Rate Methodology

HB 190 (2006 Legislative Session) directed the division to implement a fair and equitable methodology for reviewing and determining reimbursement rates for home and community-based services (mental health and developmental disability providers). In FY 2007, the division received an appropriation of \$300,000 to conduct a market analysis and develop a reimbursement methodology for these services. The division requests \$4,700,000 to implement the resulting changes in the rate methodology.

Agency Request	0.00	1,410,000	0	3,290,000	4,700,000
Governor's Recommendation	0.00	705,000	0	1,645,000	2,350,000

FY 2009 Total					
Agency Request	0.00	173,961,400	41,682,900	357,380,700	573,025,000
Governor's Recommendation	0.00	173,256,400	41,682,900	355,735,700	570,675,000

Agency Request					
Change from Original App	0.00	10,114,100	3,807,300	(144,200)	13,777,200
% Change from Original App		6.2%	10.1%	0.0%	2.5%
Governor's Recommendation					
Change from Original App	0.00	9,409,100	3,807,300	(1,789,200)	11,427,200
% Change from Original App		5.7%	10.1%	(0.5%)	2.0%

Low-Income Children & Working-Age Adults

Analyst: Castro

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	0.00	134,806,800	474,854,100	0.00	134,806,800	474,854,100
Reappropriation	0.00	2,711,500	2,711,500	0.00	2,711,500	2,711,500
8. Receipts Authority	0.00	0	206,200	0.00	0	206,200
Reduce General Fund Appropriation	0.00	(4,266,200)	(4,266,200)	0.00	(4,266,200)	(4,266,200)
FY 2008 Total Appropriation	0.00	133,252,100	473,505,600	0.00	133,252,100	473,505,600
Non-Cognizable Funds and Transfers	0.00	(46,022,100)	(132,888,400)	0.00	(46,022,100)	(132,888,400)
FY 2009 Base	0.00	87,230,000	340,617,200	0.00	87,230,000	340,617,200
Nondiscretionary Adjustments	0.00	7,814,000	26,745,400	0.00	7,814,000	26,745,400
FY 2009 Program Maintenance	0.00	95,044,000	367,362,600	0.00	95,044,000	367,362,600
4. Title XIX Family Planning Expansion	0.00	832,400	8,323,600	0.00	0	0
8. Physician Substance Abuse Screening	0.00	201,000	650,000	0.00	0	0
FY 2009 Total	0.00	96,077,400	376,336,200	0.00	95,044,000	367,362,600
Change from Original Appropriation	0.00	(38,729,400)	(98,517,900)	0.00	(39,762,800)	(107,491,500)
% Change from Original Appropriation		(28.7%)	(20.7%)		(29.5%)	(22.6%)

Low-Income Children & Working-Age Adults

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	0.00	134,806,800	38,802,800	301,244,500	474,854,100

Reappropriation

Reappropriation authority, also known as carryover, allows unspent funds from the prior fiscal year to be carried over and spent in the current fiscal year. Those moneys are then removed as one-time expenditures before calculating the next year's base. Carryover requires specific legislative authorization and must be approved every year.

Agency Request	0.00	2,711,500	0	0	2,711,500
Governor's Recommendation	0.00	2,711,500	0	0	2,711,500

8. Receipts Authority

The division requests \$206,200 in spending authority from the Idaho Health Insurance Access Card Fund to provide state matching funds for projected expenditures in the CHIP B and Access Card programs.

Agency Request	0.00	0	206,200	0	206,200
Governor's Recommendation	0.00	0	206,200	0	206,200

Reduce General Fund Appropriation

The division requests a General Fund rescission of \$2,711,500 (one-time) to remove carryover funds and an ongoing reduction of \$1,554,700 in funds appropriated for provider payments. The reduction is related to lower than projected caseload growth in FY 2008.

Total General Fund rescission for all Medicaid benefits programs: \$17,379,500 (\$9,908,400 one-time/ \$7,471,100 ongoing)

Agency Request	0.00	(4,266,200)	0	0	(4,266,200)
Governor's Recommendation	0.00	(4,266,200)	0	0	(4,266,200)

FY 2008 Total Appropriation					
Agency Request	0.00	133,252,100	39,009,000	301,244,500	473,505,600
Governor's Recommendation	0.00	133,252,100	39,009,000	301,244,500	473,505,600

Non-Cognizable Funds and Transfers

Provides a noncognizable increase in federal funds of \$2,366,400. The increase reflects the division's revised projection of federal match rates, including caseload growth in programs with higher federal match rates.

Total noncognizable increase in federal funds for all Medicaid benefits programs: \$8,826,200

Transfers spending authority (ongoing) in the trustee/benefit payments expenditure category between the Medicaid benefit payments programs based on actual expenditures in FY 2007, to more accurately project FY 2008 expenditures and establish the FY 2009 base budget.

Agency Request	0.00	(46,022,100)	234,300	(87,100,600)	(132,888,400)
Governor's Recommendation	0.00	(46,022,100)	234,300	(87,100,600)	(132,888,400)

FY 2009 Base					
Agency Request	0.00	87,230,000	39,243,300	214,143,900	340,617,200
Governor's Recommendation	0.00	87,230,000	39,243,300	214,143,900	340,617,200

Low-Income Children & Working-Age Adults

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Nondiscretionary Adjustments					
PROJECTED MEDICAID GROWTH - All Programs					
Total Estimated Eligibles FY 2008: 185,955 (0.78% increase)					
Total Estimated Eligibles FY 2009: 193,448 (4.03% increase)					
Caseload Growth: 7,493 Eligibles					
Total Est. Expenditures FY 2008: \$1,245,283,600 (8.40% increase)					
Total Est. Expenditures FY 2009: \$1,342,937,200 (7.84% increase)					
Expenditure Growth: \$97,653,600					
Cost per Eligible per Month (PEPM) FY 2008: \$558.06					
PEPM FY 2009: \$578.51					
PEPM Increase: \$20.45					

CASELOAD INFLATION: Cost associated with caseload growth; calculated by multiplying FY 2008 PEPM by the projected increase of 7,493 eligibles, times 12 months.					
Dual Eligible Individuals: \$15,145,400 Total					
Individuals with Disabilities: \$21,289,700 Total					
Low Income Children & Working Age Adults: \$13,742,900 Total					
All Programs: \$50,178,000 Total (\$15,053,400 General; \$35,124,600 Federal)					
PRICING INFLATION: Cost associated with provider rate increases as established by state or federal law. Accounts for \$9.56 of FY 2009 PEPM increase, and includes:					
*Disproportionate Share Hospitals: \$3,035,200					
*Nursing Facility: \$8,734,900					
*ICF/MR Care – Other Facility: \$1,867,900					
*Physician Services: \$2,439,400					
*Rural Health Clinic Services: \$265,800					
*Personal Care Services: \$3,442,700					
*Hospice Benefits: \$1,120,700					
*Federally Qualified Health Center: \$1,010,600					
*Indian Health Services: \$272,500					
Dual Eligible Individuals: \$6,698,300 Total					
Individuals with Disabilities: \$9,415,700 Total					
Low Income Children & Working Age Adults: \$6,078,000 Total					
Total: \$22,192,000 Total (\$6,657,600 General; \$15,534,400 Federal)					
UTILIZATION INFLATION: Cost associated with an increase in the number and type of services used (unrelated to caseload growth). Accounts for remaining \$10.89 of total FY 2009 PEPM increase.					
Dual Eligible Individuals: \$7,631,200 Total					
Individuals with Disabilities: \$10,727,000 Total					
Low Income Children & Working Age Adults: \$6,924,500 Total					
All Programs: \$25,282,700 Total (\$5,606,000 General; \$6,812,100 Dedicated; \$12,864,600 Federal)					

FMAP RATE CHANGE: Provides an increase in General Funds to replace federal funds due to a reduction in the Federal Medical Assistance Percentage (FMAP) from 69.993% to 69.795% and a reduction in the Enhanced FMAP from 78.995% to 78.858%. Total for all programs: \$2,294,500					
Agency Request	0.00	7,814,000	3,084,000	15,847,400	26,745,400
<i>The Governor recommends ongoing spending authority for inflationary increases from federal and dedicated funds along with one-time General Funds, with the exception of pricing inflation, for which increases from the General Fund are also recommended to be ongoing. FMAP adjustments are recommended as requested.</i>					
Governor's Recommendation	0.00	7,814,000	3,084,000	15,847,400	26,745,400

Low-Income Children & Working-Age Adults

Analyst: Castro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Program Maintenance					
Agency Request	0.00	95,044,000	42,327,300	229,991,300	367,362,600
Governor's Recommendation	0.00	95,044,000	42,327,300	229,991,300	367,362,600

4. Title XIX Family Planning Expansion

The division requests \$8,323,600 to increase the eligibility limit for family planning services to 185% of the federal poverty level. The state receives a 90% federal match for these services under Title XIX (Medicaid). The division estimates that 27,000 individuals would become eligible for services with the increase in eligibility limits and that about half (13,500) would access the services. The funds would be passed through to the Public Health Districts, to be combined with the Title X funds currently used by the districts to provide these services. Unlike Medicaid, the Title X family planning program is not an entitlement program; funding is limited and services are provided on a sliding fee scale.

Agency Request	0.00	832,400	0	7,491,200	8,323,600
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0

8. Physician Substance Abuse Screening

The division requests \$650,000 to allow primary care physicians to code certain substance abuse screening and intervention services for Medicaid reimbursement.

Agency Request	0.00	201,000	0	449,000	650,000
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0

FY 2009 Total					
Agency Request	0.00	96,077,400	42,327,300	237,931,500	376,336,200
Governor's Recommendation	0.00	95,044,000	42,327,300	229,991,300	367,362,600

Agency Request					
Change from Original App	0.00	(38,729,400)	3,524,500	(63,313,000)	(98,517,900)
% Change from Original App		(28.7%)	9.1%	(21.0%)	(20.7%)
Governor's Recommendation					
Change from Original App	0.00	(39,762,800)	3,524,500	(71,253,200)	(107,491,500)
% Change from Original App		(29.5%)	9.1%	(23.7%)	(22.6%)